IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF VIRGINIA LYNCHBURG DIVISION

SCHRADER-BRIDGEPORT))
INTERNATIONAL, INC.,))
Plaintiff,) Civil Action No. 6:11-cv-00014-NKM-RSB
and)) Hon. Judge Moon
SCHRADER ELECTRONICS, INC.,) Hon. Mag. Judge Ballou
Plaintiff,)
vs.)
CONTINENTAL AUTOMOTIVE SYSTEMS US, INC.,))
Defendant.	<i>)</i>))

SCHRADER'S ANSWER TO CONTINENTAL'S COUNTERCLAIMS

Plaintiffs, SCHRADER-BRIDGEPORT INTERNATIONAL, INC. ("SCHRADER-BRIDGEPORT") and SCHRADER ELECTRONICS, INC. ("SCHRADER ELECTRONICS") (collectively, "SCHRADER") answer as follows:

I. NATURE OF THE ACTION

34. SCHRADER admits that CONTINENTAL alleges in its Counterclaims that U.S. Patent No. 7,518,495 ("the '495 Patent") is invalid and not infringed. The allegations of this paragraph 34 of the Continental Counterclaims constitute arguments or conclusions of law that SCHRADER is not required to admit or deny. To the extent a response is necessary, the allegation is denied.

II. THE PARTIES

- 35. SCHRADER is without sufficient knowledge or information to form a belief as to the truth of the allegations in this paragraph of the Counterclaims and therefore denies same.
 - 36. Admitted.
 - 37. Admitted.

III. JURISDICTION AND VENUE

- 38. The allegations of this paragraph 38 of the Counterclaims constitute arguments or conclusions of law that SCHRADER is not required to admit or deny. To the extent a response is necessary, the allegation is denied.
- 39. The allegations of this paragraph 39 of the Counterclaims constitute arguments or conclusions of law that SCHRADER is not required to admit or deny. To the extent a response is necessary, the allegation is denied.
 - 40. Admitted.
 - 41. Admitted.

IV. <u>FIRST COUNTERCLAIM – NON-INFRINGEMENT</u>

- 42. SCHRADER reasserts and incorporates by reference the answers of Paragraphs 34-41 as if fully set forth herein.
- 43. The allegations of this paragraph 43 of the Counterclaims constitute arguments or conclusions of law that SCHRADER is not required to admit or deny. To the extent a response is necessary, the allegation is denied.
 - 44. Denied.

V. SECOND COUNTERCLAIM - INVALIDITY

- 45. SCHRADER reasserts and incorporates by reference the answers of Paragraphs 42-44 as if fully set forth herein.
- 46. The allegations of this paragraph 46 of the Counterclaims constitute arguments or conclusions of law that SCHRADER is not required to admit or deny. To the extent a response is necessary, the allegation is denied.
 - 47. Denied.

PRAYER FOR JUDGMENT AND RELIEF

WHEREFORE, SCHRADER-BRIDGEPORT and SCHRADER ELECTRONICS respectfully request judgment and relief as follows:

- (a) Declaring that CONTINENTAL is entitled to no relief;
- (b) Declaring that CONTINENTAL has directly infringed, contributorily infringed, and/or actively induced infringement of one or more claims of the '495 Patent;
- (c) Declaring that CONTINENTAL and those in privity with CONTINENTAL be preliminarily and permanently enjoined from infringing the '495 Patent through the manufacture, use, import, offer for sale, and/or sale of the CONTINENTAL REDI-Sensor or equivalents thereof;
- (d) Granting an award of damages adequate to compensate SCHRADER-BRIDGEPORT and SCHRADER ELECTRONICS for infringement of the '495 Patent, but in no event less than a reasonable royalty, together with prejudgment interest, costs and disbursements as fixed by the Court;
- (e) Granting an award increasing damages up to three times the amount found or assessed for infringement of the '495 Patent by CONTINENTAL due to the willful and deliberate nature of the infringement;

- (f) Declaring a determination that this is an exceptional case and an assessment of reasonable attorneys' fees;
 - (g) Granting an award of pre- and post-judgment interest as permitted; and
- (h) Granting and declaring such other and further relief as the Court deems equitable and just.

DEMAND FOR JURY TRIAL

Plaintiffs-Counterclaim Defendants demand a trial by jury on all issues.

Dated: November 4, 2011 SCHRADER-BRIDGEPORT INTERNATIONAL, INC.

and

SCHRADER ELECTRONICS, INC.

By its Attorneys,

/s/ Robert M. Fuhrer_

Bryan P. Collins (VA Bar # 46762) Robert M. Fuhrer (VA Bar # 76750)

Sarah R. Greene (VA Bar # 71033)

PILLSBURY WINTHROP SHAW PITTMAN LLP

1650 Tysons Boulevard McLean, Virginia 22102

Telephone: 703.770.7900 Facsimile: 703.770.7901

bryan.collins@pillsburylaw.com robert.fuhrer@pillsburylaw.com sgreene@pillsburylaw.com

CERTIFICATE OF SERVICE

The undersigned certifies that on this the 4th day of November, 2011, the foregoing document was filed electronically using the CM/ECF system, which will send notification via the Court's electronic filing system to all counsel of record, to include:

David E. Finkelson (VSB # 44059) McGuireWoods LLP One James Center 901 East Cary Street Richmond, VA 23219-4030 Telephone: (804) 225-1157

Fax: (804) 225-5377

E-mail: dfinkelson@mcguirewoods.com

Boyd Cloern (DCBN 471829) (pro hac vice) BINGHAM MCCUTCHEN LLP 2020 K Street NW Washington, DC 20006-1806 Telephone: (202) 373-6000

Fax: (202) 373-6001

E-mail: boyd.cloern@bingham.com

Carlos Patricio Mino (*pro hac vice*) Patrick T. Weston (*pro hac vice*) BINGHAM MCCUTCHEN LLP 1117 S California Avenue Palo Alto, CA 94304

Telephone: (650) 849-4400

Fax: (650) 849-4800

Email: carlos.mino@bingham.com Email: patrick.weston@bingham.com

Counsel for Defendant Continental Automotive Systems US, Inc.

/s/ Robert M. Fuhrer

Robert M. Fuhrer (VA Bar # 76750)
PILLSBURY WINTHROP SHAW
PITTMAN LLP
1650 Tysons Blvd.
McLean, VA 22102-4859
T: (703) 770-7900
F: (703) 770-7901
robert.fuhrer@pillsburylaw.com
Attorney for Plaintiffs,

Schrader Electronics, Inc. and Schrader-Bridgeport International, Inc.